

Activities Related to Casino Gaming Oversight March 2004

Amount of Money Received and Expended

For fiscal year 2003-2004, a projected budget of \$3,513,000 was allocated and as of February 29, 2004, \$1,332,137.79 has been spent to cover Michigan State Police (MSP) operational expenses and the salary and wages for 32 FTE's.

Nature and Structure of MSP Gaming Section

The Michigan Gaming Control Board (MGCB) is currently responsible for conducting applicant background investigations. State Police Gaming Section personnel primarily focus on criminal enforcement related activities for all 3 Detroit casinos. Gaming Section personnel assist the MGCB with regulatory matters and large-scale projects as requested. Many criminal investigations also entail regulatory matters that require a coordinated effort between the MGCB and MSP. Additionally, the MSP Gaming Section continues to provide assistance, as necessary, in the form of LEIN (Law Enforcement Information Network) warrant checks, and other inquiries through the courts and other law enforcement agencies. The Michigan Public Safety Communication System continues to be the primary mode of communication between the casinos and MSP personnel.

The current breakdown of staffing is as follows:

Current Staffing

1	Inspector
2	Secretary
1	D/F/Lt. 15
3	D/Lt. 14
7	D/Sgt. 12
18	D/Spl. 11
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32	Total Employees

Summary of Casino Enforcement Activities

Operating from the Cadillac Place Building at 3062 W. Grand Boulevard, Suite L-700, in the City of Detroit, Gaming Section personnel continue to work from this central location and rotate their patrols between the 3 casinos.

From September 1, 2003, through February 29, 2004, the Gaming Section affected 164 arrests at the MGM, Motor City, and Greektown casinos. The arrests ranged from felony arrests for embezzlement, cheating at play, credit card fraud, uttering and publishing, employee collusion cases, larceny, and conspiracy. The Gaming Section also made misdemeanor arrests for the offenses of disorderly person, domestic assault, underage gambling, minor in possession, larceny from a person, trespassing, and numerous fugitive arrests. Additionally, Gaming Section personnel continue to work closely with the FBI's Organized Crime Unit to ensure organized crime does not infiltrate Detroit casinos through suppliers and vendors.

Counterfeit money continues to surface at Detroit based casinos, but the volume remains consistent with the amounts seized in casinos throughout the country. Since September 1, 2003, a total of \$5,633 in counterfeit money has been seized by MSP at the three casinos. Those caught with counterfeit money maintain they received the money from stores, banks, and other casinos during legitimate business transactions. Investigators continue to track occurrences via an in-house database to identify patterns and people.

Gaming Section personnel also conducted 2 fugitive sweeps during this period - October 2003 and February 2004. During the sweeps, section personnel made a total of 7 felony arrests and 9 misdemeanor arrests, satisfying 21 warrants held by the Gaming Section. Each sweep lasted 1 week and averaged 8 arrests per sweep. Based on the results, the Gaming Section plans to continue the sweeps on a quarterly basis.

A Michigan Gaming Control Board regulatory investigation involving the vendor license of the New Parthenon Restaurant in Detroit's Greektown led 2 confidential informants to reveal information that the restaurant owners were involved in illegal activities. The alleged crimes include casino complimentary coupon fraud, employing illegal aliens from the Countries of Iraq, Yemen, and Albania, and failing to report taxable income to the Internal Revenue Service and Michigan Department of Treasury.

Gaming Section officers joined the investigation, developing enough probable cause to obtain and execute simultaneous search warrants on the restaurant, the owners' residences, their tax accountant, Comerica Bank, and Greektown Casino. Assistance for this undertaking was sought from the Criminal Investigation Division Major Case Team, Uniform Services Bureau, and the U.S. Department of Homeland Security (Immigration and Customs Enforcement). During the search warrant execution, 6 individuals were arrested for immigration law violations. Two of the subjects arrested were on INS's (Immigration and Naturalization Service) Absconder List.

This investigation continues and, as a result, Gaming Section personnel are participating on a multi-jurisdictional task force investigating Albanian organized crime. This group is actively involved in extortion, narcotics, illegal alien smuggling, and money laundering. This group is believed to be operating in 8 - 10 states and Canada, and may have up to 200 targets nationwide. Other agencies involved in the investigation include the U.S. Attorney for the Eastern District of Michigan, Internal Revenue Service Criminal Division, U.S. Department of Homeland Security (Immigration and Customs Enforcement), Criminal Investigation Division Major Case Team, Michigan Department of Treasury, and the Michigan Gaming Control Board. █

In October 2003, 3 subjects were detained for attempting to cash fraudulent checks at Motor City Casino. A fourth subject was detained when he began inquiring as to the whereabouts of his associates. Interviews of these 4 subjects led to the detention of 2 additional suspects. One subject admitted to running a large-scale check fraud enterprise in the Ohio and Michigan areas. Consent was obtained to search the subject's vehicle, resulting in the seizure of numerous fraudulent checks and identification cards.

From a slip of paper found in the subject's possession, investigators were able to determine the location of a motel room in Ohio. The Lucas County Sheriff's Department was contacted and information provided to them regarding the criminal enterprise. A search warrant was served at the motel, locating additional fraudulent checks, check stock, computer equipment, including check writing software, fraudulent identification, and a small amount of a controlled substance.

As a result of this investigation, the subject is cooperating with the U.S. Secret Service and Toledo Police Department investigators on their investigation of a \$1 million Western Union check fraud case in the Ohio area. Each of the 6 suspects were charged and convicted of Uttering and Publishing in the casino-related investigation. █

In October 2003, the Gaming Section received information indicating 2 Jackpot Dispensing Units (JDU's) at Motor City Casino had shortages of \$2,000 and \$4,000. Accounting personnel from the casino were unable to determine the reason for the shortages. Casino surveillance personnel, upon reviewing the surveillance tapes, were also unable to identify the cause of the shortages. Throughout October, when the first 2 shortages were found, and until January 2004, a total of 5 JDU's and 4 bill breakers were found to have shortages. Overall, \$26,400 was missing from the JDU's and \$9,540 from the bill breakers. The only reason established for the shortages was employee theft.

As a result of an extensive investigation by Gaming Section detectives, a suspect was developed. The suspect, a cage supervisor at Motor City Casino, was interviewed and confessed to stealing the monies from the JDU's. The officers were also able to recover \$5,000 of the stolen money. █

In addition, the Michigan Department of State Police and the Michigan Gaming Control Board, in conjunction with the City of Detroit Fire Department, are responsible for emergency management training at the casinos and required to annually train licensed casino security and surveillance personnel in critical incident management.

The training is designed to prepare casino surveillance and security personnel in the proper procedures to follow in the event of a fire, robbery attempt, bomb threat, terrorist activity, medical emergency, or other major emergency. Historically, this training has been accomplished through tabletop exercises. However, after the terrorist events of September 11, plans were made to conduct full-scale exercises.

On August 5, 2003, the first of 3 full-scale exercises were conducted at Motor City Casino. Full-scale exercises for Greektown and MGM Grand casinos, delayed due to the massive blackout on August 14, were held October 8 and 20, 2003, respectively. Various scenarios were played out at each casino. The emergency situations included bomb threats, explosions, robberies, hazardous material incidents, medical emergencies, and hostage situations.

Positions and Classifications of Employees Currently Assigned--(32 FTE's)

- 1 Inspector, State Administrative Manager 15
- 1 Detective First Lieutenant, State Police Detective First Lieutenant 15
- 3 Detective Lieutenant, State Police Detective Lieutenant 14
- 7 Detective Sergeant, State Police Detective Sergeant 12
- 18 Detective Specialist, State Police Detective Specialist – Trooper 11
- 2 Management Assistant, Secretary 9

Number of Full Time and Part Time Employees and Aggregate Number of FTE's

The current staffing cap is for 32 full time employees. During the reporting period, a detective lieutenant and a detective specialist retired. The detective lieutenant vacancy was filled by promotion of a detective sergeant within the section. Two positions remain vacant (detective sergeant and detective specialist).

Number of Enlisted and Civilian Positions

Of the 32 positions currently assigned, 30 are enlisted and 2 are civilian.

Duties and Responsibilities of Assigned Employees

Inspector - State Administrative Manager 15 (Central Region Commander) – This officer serves as assistant to the division commander and as Gaming (Central Region) commander for the Southeastern Criminal Investigation Division (SECID). The role of this position is to provide leadership, direction, administration, and supervision to SECID personnel and all of its investigative initiatives operating in the City of Detroit.

This position provides primary command responsibilities for the Gaming Section and shares responsibilities with the Attorney General and the MGCB for the licensing, regulation, and enforcement of legalized gaming in the State of Michigan.

This officer also maintains liaison with federal, state, and local authorities to maintain cooperative team efforts and establish professional gaming standards, as well as to help enhance the quality of life in the Metro Detroit area. This officer supervises, administers, and provides leadership for State Police resources and personnel committed to the licensing, regulation, and enforcement of gaming and criminal enforcement initiatives in Detroit.

D/F/Lt. 15 – State Police Detective First Lieutenant 15 (Section Commander) – This position is responsible to command the Enforcement Section, which is charged to assist the MGCB in regulating and enforcing Michigan law at 3 Detroit-based casinos. This officer is also responsible to the region commander for the coordination and provision of State Police services and resources necessary for the licensing, regulation, and enforcement of legalized gaming in the State of Michigan. These duties are performed at the direction of the region commander when he/she is available, and may assume the position of command when the region commander is not available. The officer may be contacted for duty any hour of the day. This officer is also responsible to supervise detective lieutenants, detective sergeants, detective specialists, and secretaries assigned to the section.

D/Lt. 14 - State Police Detective Lieutenant 14 (Casino Team Leader) – This officer is responsible for the coordination and provision of State Police activities, services, and resources necessary for the regulation and enforcement of legalized gaming in the State of Michigan. This position also serves as a casino team leader at a licensed casino operation, providing assistance, as necessary, to the MGCB to ensure effective regulatory and enforcement measures are in place. These duties are performed at the direction of the

section commander when he/she is available, and assumes the position of command when the section commander is not available. The employee may be contacted for duty at any hour of the day.

D/Sgt. 12 - State Police Detective Sergeant 12 (Investigative Follow-up Sgt.) – This officer serves as an investigative resource to the Enforcement Section and conducts follow-up investigations into casino-related major crimes, public corruption, organized crime, and other casino-related criminal acts. Additionally, this officer provides investigative assistance and direction to detective specialists as they pursue criminal investigations, and provides assistance to the MGCB, as directed, to ensure effective regulatory and enforcement measures are in place. This officer also gathers and disseminates intelligence and enforcement information to regulatory and law enforcement counterparts in other gaming jurisdictions. These duties are performed at the direction of the section commander, and the employee may be contacted for duty at any hour of the day.

D/Sgt. 12 – State Police Detective Sergeant 12 (Lead Investigator/Intelligence Coordinator) – This officer serves as a primary lead investigator responsible for recommending investigative responses to criminal activity occurring in Detroit casinos by utilizing intelligence from federal, state, and local law enforcement agencies, in addition to confidential sources. Also, this officer serves as a link to the State Police Intelligence Unit in East Lansing and a resource to the Joint Terrorism Task Force, Detroit Metro Identity Fraud Task Force, and others. Additionally, this officer also provides functional supervision to MGCB personnel responsible for conducting LEIN, CCH (Computerized Criminal History), DETECTS (Detroit Electronic Computer and Teleprocessing System), and intelligence checks used to determine suitability and eligibility of occupational, vendor, and supplier licenses. These duties are performed at the direction of the section commander, and the employee may be contacted for duty at any hour of the day.

D/Sgt. 12 – State Police Detective Sergeant 12 (Enforcement Supervisor) – This officer provides supervision to Enforcement detective specialists assigned to the section. Upon MGCB requests to help ensure proper compliance with the Michigan Gaming Control Board and Revenue Act, the Administrative Rules, and Casino Internal Controls, this officer assigns regulatory inspections and other related projects and tasks to detective specialists. This individual also supervises investigations into criminal activity at the casinos and assists detective specialists in completing their assignments, duties, and investigations. These duties are performed at the direction of the section commander, and the employee may be contacted for duty at any hour of the day.

D/Spl. 11 – State Police Detective Specialist Trooper 11 (Enforcement Patrol/Investigator) – The primary role of this position is to patrol for criminal violators, respond to criminal activity, initiate investigations into casino-related crimes, and provide for public safety. This officer also conducts regulatory inspections and other related tasks, as directed by superiors, when requests are received from the MGCB. These duties are performed at the direction of enforcement supervisors, and the employee may be contacted for duty at any hour of the day.

Management Assistant - Secretary 9 – This person serves as a management assistant to either the Central Region Commander or Gaming Section Commander. This person coordinates office activities and performs secretarial assignments for management staff in support of on-going operations that surround SECID enforcement activities in the City of Detroit, which include the licensing, regulation, and enforcement of legalized gaming. This person also tracks budgetary expenses and processes financial transactions.

Immediate Past Position of the Enlisted Employees Assigned

<u>Employee</u>	<u>Current Position</u>	<u>Immediate Past Position</u>
Insp.	Central Region Commander	D/F/Lt. – ISB, SECID, North Region Investigative Support Section
D/F/Lt.	Section Commander	D/Sgt. – ISB, Field Detective Division Metro South Post
D/Lt.	Casino Team Leader	D/Sgt. – ISB, SECID, Central Region Gaming Section, Enforcement Supervisor
D/Lt.	Casino Team Leader	Sgt. – USB, 2 nd District Metro South Post

<u>Employee</u>	<u>Current Position</u>	<u>Immediate Past Position</u>
D/Lt.	Casino Team Leader	D/Sgt. – ISB, SECID, Central Region Gaming Section
D/Sgt.	Intelligence Officer	D/Sgt. – ISB, SECID, Central Region Gaming Section, Enforcement Supervisor
D/Sgt.	Follow-up Sergeant	D/Sgt. – ISB, SECID, Central Region Gaming Section, Enforcement Supervisor
D/Sgt.	Enforcement Supervisor	D/Sgt. – ISB, SECID, Central Region Gaming Section, Intelligence Officer
D/Sgt.	Enforcement Supervisor	Sgt. – USB, 2 nd District Detroit Post
D/Sgt.	Enforcement Supervisor	(Position Vacant)
D/Sgt.	Enforcement Supervisor	D/Sgt. – ISB, SECID, Central Region Gaming Section, Investigative Unit
D/Sgt.	Enforcement Supervisor	Sgt. – USB, 2 nd District Metro North Post
D/Spl.	Enforcement Patrol/Investigator MGM/Motor City/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Richmond Post
D/Spl.	Enforcement Patrol/Investigator MGM/Motor City/Greektown Casinos	D/Spl. – ISB, SECID, Central Region VCIS – DEA Group 6
D/Spl.	Enforcement Patrol/Investigator MGM/Motor City/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Detroit Post
D/Spl.	Enforcement Patrol/Investigator MGM/Motor City/Greektown Casinos	D/Spl. – ISB, SECID, North Region ISS, Mint Team 2
D/Spl.	Enforcement Patrol/Investigator MGM/Motor City/Greektown Casinos	Tpr. – Road Patrol USB – 3 rd District, Bad Axe Post
D/Spl.	Enforcement Patrol/Investigator MGM/Motor City/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Metro South Post
D/Spl.	Enforcement Patrol/Investigator MGM/Motor City/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Metro South Post
D/Spl.	Enforcement Patrol/Investigator MGM/Motor City/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Detroit Post
D/Spl.	Enforcement Patrol/Investigator MGM/Motor City/Greektown Casinos	Tpr. – Road Patrol USB – 3 rd District, Bay City Post
D/Spl.	Enforcement Patrol/Investigator MGM/Motor City/Greektown Casinos	Tpr. – Road Patrol USB – 1 st District, Brighton Post
D/Spl.	Enforcement Patrol/Investigator MGM/Motor City/Greektown Casinos	(Vacant)
D/Spl.	Enforcement Patrol/Investigator MGM/Motor City/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Richmond Post
D/Spl.	Enforcement Patrol/Investigator MGM/Motor City/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Metro South Post
D/Spl.	Enforcement Patrol/Investigator MGM/Motor City/Greektown Casinos	D/Spl. – ISB, SECID, South Region DRANO
D/Spl.	Enforcement Court Officer and Attorney General Liaison	Tpr. – Road Patrol USB – 2 nd District, Detroit Post

<u>Employee</u>	<u>Current Position</u>	<u>Immediate Past Position</u>
D/Spl.	Enforcement Patrol/Investigator MGM/Motor City/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Detroit Post
D/Spl.	Enforcement Patrol/Investigator MGM Grand Casino – Enforcement	Tpr. – Road Patrol USB – 2 nd District, Monroe Post
D/Spl.	Enforcement Patrol/Investigator MGM/Motor City/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Metro South Post